2011 DRAFTING REQUEST

Bill

Received: **10/28/2011**

Received By: **mkunkel**

Wanted: **As time permits**

Companion to LRB:

For: **Brett Hulsey (608) 266-7521**

By/Representing: **Terri**

May Contact:

Drafter: **mkunkel**

Subject: **Public Util. - energy**

Addl. Drafters:

Extra Copies:

Submit via email: **YES**

Requester's email: **Rep.Hulsey@legis.wi.gov**

Carbon copy (CC:) to:

Pre Topic:

No specific pre topic given

Topic:

Utility contributions for energy efficiency and renewable resource programs

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Instructions:

Restore Focus on Energy program

Drafting History:

Vers.	Drafted	Reviewed	Typed	Proofed	Submitted	Jacketed	Required
/?	mkunkel 10/28/2011	mduchek 10/31/2011		_______ _______			
/1			phenry 10/31/2011	_______ _______	mbarman 10/31/2011	ggodwin 01/25/2012	

FE Sent For:

Not Needed

<END>

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/?	mkunkel			_______ _______			

FE Sent For:

<END>

Kunkel, Mark

From: Zimmerman, Terri
Sent: Thursday, October 27, 2011 10:51 AM
To: Kunkel, Mark
Subject: RE: Rep. Hulsey's bill draft request on an energy bill

yes

draft as 2 bills, not one

From: Kunkel, Mark
Sent: Thursday, October 27, 2011 10:50 AM
To: Zimmerman, Terri
Subject: RE: Rep. Hulsey's bill draft request on an energy bill

Terri:

Just to clarify, when you mention restoring Focus on Energy cuts in the budget, you are referring to restoring the PSC's ability to require, with JCF approval, that energy utilities to spend more than 1.2% of their annual operating revenues on Focus on Energy -- is that correct? The LFB's description of what the budget did to that authority is reproduced below.

-- Mark

8. UTILITY CONTRIBUTIONS FOR ENERGY EFFICIENCY AND RENEWABLE RESOURCE PROGRAMS

Joint Finance/Legislature: Repeal the current law provisions that authorize the PSC to require energy utilities to spend more than 1.2% of their annual operating revenues on energy efficiency and renewable resource programs, if approved by the Joint Committee on Finance. Effective January 1, 2012, prohibit the PSC from requiring any energy utility to spend more than 1.2% of its annual operating revenues on energy efficiency and renewable resource programs. This provision both removes the mechanism that allows higher contribution levels to be approved in the future by the Joint Committee on Finance through the review process authorized under s. 13.10 of the statutes and reverses the higher contribution levels approved by the Committee in December, 2010. At that time, the Committee voted to require contribution levels of $120 million in 2011, $160 million in 2012, $204 million in 2013, and $256 million in 2014 and thereafter. At that time, PSC staff estimated that the 1.2% requirement would generate contribution levels of approximately $100 million in 2011 and 2012. Therefore, this provision would reduce 2012 contributions from $160 million to approximately $100 million. Future changes in contributions will be dependent on changes in utility rates and energy consumption. Under the 2010 s. 13.10 approval, contributions as a percent of utility revenues were estimated to increase from 1.2% in 2010 to 1.5% in 2011, 1.9% in 2012, 2.5% in 2013, and 3.2% in 2014.
[Act 32 Sections: 2710c thru 2710g, and 9439(1q)]

From: Zimmerman, Terri
Sent: Thursday, October 27, 2011 10:40 AM
To: Kunkel, Mark
Subject: Rep. Hulsey's bill draft request on an energy bill

Mark,

Rep. Hulsey would like a bill that would restore the Focus on Energy cuts in Walker's budget bill and also include language to ban out-of-country eligibility of hydroelectric resources under Wisconsin's renewable portfolio standards (such as under AB114-Manitoba Hydro).

Thank you Mark.

Terri
Rep. Hulsey's office
266-7521

State of Wisconsin
2011 – 2012 LEGISLATURE

LRB–~~2605/1~~ 2
MDK:med&cjs:ph

stays

–2360/1

Soon

IN 10-28

Fix topic

PM NOT OWN

SA

2011 BILL

AN ACT *to renumber and amend* 196.374 (3) (b) 2.; and *to create* 196.374 (3) (b) 2. a. to h. and 196.374 (3) (b) 3. of the statutes; **relating to:** spending by certain electric and natural gas public utilities on energy efficiency, conservation, and renewable resource programs.

Analysis by the Legislative Reference Bureau

Current law requires the Public Service Commission (PSC) to require investor–owned electric and natural gas public utilities to spend 1.2 percent of their annual operating revenues on certain energy efficiency, conservation, and renewable resource programs. Subject to the approval of the Joint Committee on Finance (JCF), current law allows the PSC, until January 1, 2012, to require that such utilities spend a greater percentage of their annual operating revenues on such programs. The PSC may require a greater percentage based on its consideration of the following factors: 1) studies of the potential energy–efficiency improvements that could be made in the state; 2) the potential short–term and long–term impacts on electric and natural gas rates; 3) alternatives for mitigating such impacts; 4) the impact on the continuation and effectiveness of existing energy efficiency and renewable resource programs; 5) the impact on the reliability and adequacy of systems for the generation and transmission of electricity and the transmission of natural gas; 6) societal impacts; 7) the potential for displacing or delaying construction of electric generating plants and transmission lines; 8) economic impacts that are likely to accrue from reducing expenditures on coal, natural gas, fuel oil, and other fossil fuel imports; and 9) any other relevant factors. The PSC must submit a proposal for a greater percentage to JCF. If the cochairpersons of JCF do not notify the PSC within ten working days after submission of such a proposal that JCF has scheduled a meeting to review the proposal, the PSC may require that the utilities spend the greater percentage. If the cochairpersons of JCF do notify the PSC within ten working days after submission of such a proposal that JCF has scheduled a meeting to review the proposal, but JCF does not object to the proposal within 90 days of providing the notification to the PSC, the PSC may require that the utilities spend the greater percentage. However, if JCF objects to the proposal within such 90–day period, the PSC may not require that the utilities spend the greater percentage.

Effective January 1, 2012, the 2011 executive budget act repeals the provisions of current law that allow the PSC to require the utilities to spend a greater percentage on the programs. As a result, after January 1, 2012, the PSC must require the utilities to spend 1.2 percent of their annual operating revenues on the programs. This bill eliminates that repeal. Under the bill, after January 1, 2012, the PSC may, based on the factors described above and subject to JCF approval as described above, require that the utilities spend a greater percentage of their annual operating revenues on the programs.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 196.374 (3) (b) 2. of the statutes, as affected by 2011 Wisconsin Act 32, is renumbered 196.374 (3) (b) 2. (intro.) and amended to read:

196.374 **(3)** (b) 2. (intro.) The commission shall require each energy utility to spend 1.2 percent of its annual operating revenues to fund the utility's programs under sub. (2) (b) 1., the utility's ordered programs, the utility's share of the statewide energy efficiency and renewable resource programs under sub. (2) (a) 1., and the utility's share, as determined by the commission under subd. 4., of the costs incurred by the commission in administering this section. <u>Subject to approval under subd. 3., the commission may require each energy utility to spend a larger percentage of its annual operating revenues to fund these programs and costs. The commission may make such a requirement based on the commission's consideration of all of the following:</u>

SECTION 2. 196.374 (3) (b) 2. a. to h. of the statutes are created to read:

196.374 **(3)** (b) 2. a. Studies of potential energy–efficiency improvements that could be made in this state, including at least one study completed within the preceding 2 years that provides a prospective 5–year and 10–year estimate of such potential that is cost–effective.

b. The potential short–term and long–term impacts on electric and natural gas rates and alternative means to mitigate such impacts.

c. The impact on the continuation and effectiveness of existing energy efficiency and renewable resource programs, and the ability of such programs to capture time–limited and cost–effective energy–efficiency opportunities.

d. The impact on the reliability and adequacy of systems for the generation and transmission of electricity and the transmission of natural gas.

e. Societal impacts.

f. The potential for displacing or delaying construction of electric generating plants and transmission lines.

g. Economic impacts that are likely to accrue from reducing state and private expenditures on coal, natural gas, fuel oil, and other fossil fuel imports.

h. Any other relevant factors.

SECTION 3. 196.374 (3) (b) 3. of the statutes is created to read:

196.374 **(3)** (b) 3. The commission shall submit to the joint committee on finance any proposal to require each energy utility to spend a larger percentage of its annual operating revenues than the percentage specified in subd. 2. (intro.) to fund the programs specified in subd. 2. (intro.). If the cochairpersons of the committee do not notify the commission within 10 working days after the commission submits such a proposal that the committee has scheduled a meeting to review the proposal, the commission may require each energy utility to spend the percentage specified in the proposal. If, within 10 working days after the commission submits a proposal, the cochairpersons of the committee notify the commission that the committee has scheduled a meeting to review the proposal, but, within 90 days of providing the notice, the committee does not object to the proposal, the commission may require each energy utility to spend the percentage specified in the proposal. If, within 90 days after providing the notice, the committee objects to the proposal, the commission may not require each energy utility to spend the percentage specified in the proposal.

SECTION 4. Effective date.

(1) This act takes effect on January 1, 2012, or on the day after publication, whichever is later.

(END)

Godwin, Gigi

From: Zimmerman, Terri
Sent: Wednesday, January 25, 2012 12:44 PM
To: LRB.Legal
Subject: Draft Review: LRB 11-3360/1 Topic: Utility contributions for energy efficiency and renewable resource programs

Please Jacket LRB 11-3360/1 for the ASSEMBLY.